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Moore & Van Allen

James H. Jeffries IV
Attorney at Law

T 704 331 1079
F 704 339 5879
jimjeffries@mvalaw.com

Moore & Van Allen PLLC

Suite 4700
100 North Tryon Street
Charlotte, NC 28202-4003

September 20, 2005

VIA UPS OVERNIGHT

The Honorable Ron Jones
Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243-0505

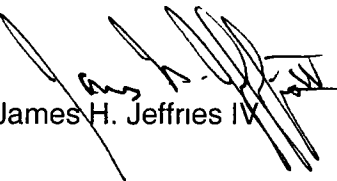
Re: Nashville Gas Company, A Division of Piedmont Natural Gas Company, Inc. –
Docket No. 05-00046

Dear Chairman Jones:

I have enclosed an original and 14 copies of the *Additional Comments of Nashville Gas Company* in the above-captioned docket. Please accept the original and 13 copies for filing and return one filed-stamped copy to me in the enclosed self addressed stamped envelope.

Thank you for your assistance with this matter. If you have any questions regarding these comments you may reach me at the number shown above.

Sincerely,



James H. Jeffries IV

JHJ/bao

Enclosure

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

IN RE:

GENERIC DOCKET FOR THE PURPOSE
OF EXAMINING TRA RULES, POLICIES
AND PROCEDURES IN LIGHT OF
CURRENT TRENDS IN GAS INDUSTRIES

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Docket No. 05-00046

ADDITIONAL COMMENTS OF NASHVILLE GAS COMPANY

Nashville Gas Company, a Division of Piedmont Natural Gas Company, Inc. ("Nashville Gas" or the "Company"), through counsel and pursuant to the *Notice of Meeting Addressing Consumer and Safety Issues* ("Notice") issued by the Tennessee Regulatory Authority (the "Authority" or the "TRA"), respectfully submits additional comments on the following issues: (1) service quality standards, (2) safety; (3) low-income assistance programs; (4) research and development; and (5) conservation and educational efforts:

I. SERVICE QUALITY STANDARDS.

Each month, pursuant to an informal agreement with the Consumer Advocate Division of the Attorney General's Office ("CAD"), Nashville Gas voluntarily provides the following customer service data to the CAD.

- A. Customer Contact Activity
 - a. Number of walk-ins
 - b. Cash transactions
- B. Call Center Statistics
 - a. Number of calls received
 - b. Percent answered
 - c. Average speed answered

- d. Length of call
 - e. After call processing time
- C. Service Department Activity
 - a. Orders worked
 - b. Appointment orders
 - c. Appointments missed
 - d. Emergency orders
 - e. Emergency response time
 - f. Meters set
- D. Meter Services
 - a. Meters read
 - b. Risers inspected
 - c. Number of estimates
 - d. Re-reads
 - e. Door tags
- E. Construction Department Activity
 - a. Tenn. One-call tickets
 - b. Service orders received
 - c. Service orders worked
 - d. Backlog (weeks)
 - e. Service renewals/relocations
 - f. Services retired
 - g. Leak surveys

II. SAFETY.

Since fiscal year 1990, Nashville Gas has committed significant resources in replacing its cast iron and unprotected steel mains in its Tennessee service territory. As

of June 30, 2005, all but 1.3 miles of cast iron pipe have been replaced and 100% of Nashville Gas' bare steel pipe has either been replaced or protected. In total, approximately 290 miles of cast iron and 86 miles of bare steel pipe have been replaced. Also as of June 30, 2005, 81.4% of bare steel and cast iron service lines (17,672 out of 21,720) have been replaced. Over the past 15 years, Nashville Gas has expended a total of \$61,155,970 under its replacement project. It is anticipated that by the end of the current fiscal year, October 31, 2005, 100% of Nashville Gas' cast iron and unprotected mains and services will have been replaced.

As a result of the U.S. Transportation Department's Pipeline Integrity Management Regulations, all local distribution companies have been required to identify and assess any High Consequence Areas on their respective transmission lines. This effort is currently being managed on a total Company basis for the Nashville Gas service territory as well as Piedmont Natural Gas Company's operations in North and South Carolina. A total of 35 High Consequence Areas, encompassing 13.6 miles of transmission lines, exist on the Nashville Gas system. Nashville Gas is actively engaged in complying with the requirements of the federal regulations with respect to these areas and the attendant transmission lines.

The North Carolina Utilities Commission has approved deferred accounting treatment for all incremental pipeline integrity management costs in that state pending the recovery of such costs in future rate proceedings. A Stipulation entered into by the parties in Piedmont's current North Carolina rate proceeding permits the continued deferral of incremental Pipeline Integrity Management costs. The NCUC is expected to rule on the acceptance of the Stipulation within the next month.

III. LOW-INCOME ASSISTANCE.

Nashville Gas currently utilizes the following measures to provide assistance to its low-income customers:

A. Metro Action Commission - LIHEAP dollars are managed through the Metro Action Commission. These are federal dollars managed by the Metro Government to assist qualifying low-income customers with the payment of their natural gas bills. LIHEAP funds represent the single largest pool of money available to assist our low-income ratepayers.

B. Project Help - Nashville Gas will contribute \$12,500 to the Project Help fund for the 2005/2006 winter. Our customers and employees are encouraged to donate money to this fund. Project Help is administered by Big Brothers of Nashville, Inc. and assists elderly and disabled customers.

C. Equal Payment Plans - Customers are encouraged to sign up for our Equal Payment Plan. A change was made in this plan in 2000/2001 to allow customers to join the plan during any month of the year. Prior to 2000/2001, the sign-up date for each year was July. This plan levels the billing for 11 months and we use the 12th month to bill the outstanding balance or refund any over payment. Accounts are monitored during the 12 months so adjustments can be made. These mid-year adjustments are made with the goal of having the customer's account break even at the end of the EPP year.

D. Speedpay - This program was implemented several years ago. Our customers can pay their gas bill via telephone using a credit card.

E. Other Agencies - Our customer service representatives maintain a list of other agencies or organizations (i.e., churches, and other civic organizations) that will help our customers if they experience financial or personal difficulties that impact their ability to make timely payment on their bills.

F. Deferred Payment Agreements - Our customer service departments are authorized to assist customers by setting up payment arrangements for outstanding balances. These agreements allow the customer

to spread their payment over a time agreed upon by the customer service representative and the customer.

G. Energy Saving Tips - We have posted 25 energy saving tips on our Web Site. These tips have also been communicated in customer bill inserts.

IV. RESEARCH AND DEVELOPMENT.

Nashville Gas believes that an industry-wide effort toward research and development, such as that pursued by the Gas Technology Institute ("GTI"), helps promote the efficient utilization of natural gas resources as well as the development of new and more economical gas appliances and applications. It is also the prevailing opinion within the natural gas industry that collective research and development activities are an appropriate and necessary activity that redounds to the ultimate benefit of all natural gas users. In 2004, Nashville Gas, through its parent, Piedmont, made a voluntary contribution of \$200,000 to GTI to assist in research and development projects. Nashville Gas favors the recovery of GTI funding through the establishment of a tracking mechanism whereby periodic rate adjustments are permitted to recover actual funding. Piedmont anticipates continuing its contributions to GTI and has provided for such in the Stipulation recently entered into in its North Carolina rate case.

V. CONSERVATION AND EDUCATIONAL EFFORTS.

Nashville Gas utilizes a number of different means to communicate with its customers about such important topics as conservation, safety and customer service. These include "*Gasline*", the company's customer newsletter that is included with customer bills approximately every other month and which covers a variety of topics of interest to our customers. Nashville Gas also utilizes separate bill inserts from time to time to educate customers about various plans, programs and services available to them such as our Equalized Payment Plan, Project Help, and energy efficiency.

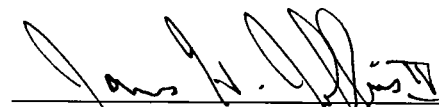
Nashville Gas' web site, www.nashvillegas.com is also a major medium through which we communicate with our customers about energy topics such as conservation, customer services, natural gas usage and rate information, among others. As mentioned previously, that website contains a number of specific suggestions about how customers may conserve their usage of energy generally and natural gas in particular.

In addition to these means of communicating with customers, Nashville Gas also communicates important natural gas safety information through advertising in local media, press releases containing information about natural gas costs and winter bills, and various brochures and printed material available to all customers. As we approach the upcoming winter heating season, Nashville Gas will continue to utilize a broad variety of means to communicate with our customers (and the public generally) regarding conservation and other topics related to natural gas and the services provided by Nashville Gas.

WHEREFORE, Nashville Gas Company, a division of Piedmont Natural Gas Company, Inc., respectfully requests that the Authority accept its comments and suggestions on the issues identified in the Authority's August 30, 2005 Notice as set forth herein.

Respectfully submitted this 20th day of September, 2005.

Nashville Gas Company, a division
of Piedmont Natural Gas Company,
Inc.



James H. Jeffries IV
Moore & Van Allen, PLLC
Bank of America Corporate Center
Suite 4700
100 Tryon Street
Charlotte, NC 28202-4003
(704) 331-1079

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the *Additional Comments of Nashville Gas Company* is being served upon the parties in this action by depositing a copy of the same in the United States Mail, First Class Postage Prepaid addressed as follows:


D. Billye Sanders, Esq.
Waller Lansden Dortch & Davis, PLLC
511 Union Street, Suite 2700
P.O. Box 198966
Nashville, Tennessee 37219-1760

Joe A. Conner, Esq.
Misty Smith Kelley, Esq.
Baker, Donelson, Bearman, Caldwell & Berkowitz
1800 Republic Centre
633 Chestnut Street
Chattanooga, Tennessee 37450-1800

Timothy C. Phillips, Esq.
Vance L. Broemel, Esq.
Consumer Advocate and Protection
Office of the Tennessee Attorney General
P.O. Box 20207
Nashville, Tennessee 37202

R. Dale Grimes, Esq.
Bass, Berry & Sims PLC
AmSouth Center
315 Deaderick Street, Suite 2700
Nashville, Tennessee 37238

This the 20th day of September, 2005



James H. Jeffries IV